Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	File No. EB-09-SE-066
)	
CruiseEmail)	NAL/Acct. No. 201032100030
)	
)	FRN # 0006501092

NOTICE OF APPARENT LIABILITY FOR FORFEITURE

Adopted: June 9, 2010 Released: June 11, 2010

By the Chief, Spectrum Enforcement Division, Enforcement Bureau:

I. INTRODUCTION

1. In this *Notice of Apparent Liability for Forfeiture* ("*NAL*"), we find CruiseEmail, licensee of public coast stations KDS (Olympia, Washington) ("KDS"), WGM (Fort Lauderdale, Florida) ("WGM"), and WHX (Pocomoke, Maryland) ("WHX"), apparently liable for a forfeiture in the amount of fifteen thousand dollars (\$15,000) for willful and repeated violations of Section 301 of the Communications Act of 1934, as amended ("Act"), and Section 1.903(a) of the Commission's Rules ("Rules"). The noted apparent violations involve CruiseEmail's operation of stations KDS, WGM, and WHX at locations other than their licensed locations without prior Commission authorization.

II. BACKGROUND

2. On April 23, 2008, the Mobility Division of the Wireless Telecommunications Bureau ("Mobility Division") directed CruiseEmail to provide information regarding the construction and operational status of stations KDS, WGM, and WHX.² In its May 20, 2008 response to the Mobility Division, CruiseEmail indicated all three stations were operating at locations other than their licensed locations. Accordingly, the Mobility Division referred this matter to the Spectrum Enforcement Division ("Division") of the Enforcement Bureau for further investigation, and the Division sent CruiseEmail a letter of inquiry ("LOI") on August 12, 2009.⁴

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¹ 47 U.S.C. § 301; 47 C.F.R. § 1.903(a).

² See Letter from Scot Stone, Deputy Chief, Mobility Division, Wireless Telecommunications Bureau, Federal Communications Commission, to Dr. John Gregory, Chief Executive Officer, CruiseEmail (April 23, 2008). See also 47 U.S.C. § 308(b).

³ See Letter from Dr. John Gregory, Chief Executive Officer, CruiseEmail, to Scot Stone, Deputy Chief, Mobility Division, Wireless Telecommunications Bureau, Federal Communications Commission (May 20, 2008) ("Response to the Mobility Division").

⁴ See Letter from Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, to Dr. John Gregory, Chief Executive Officer, CruiseEmail (August 12, 2009).

In its September 20, 2009 Response to the LOI ("Response"), 5 CruiseEmail admits to operating stations KDS, WGM, and WHX at locations other than their licensed locations without first obtaining a modification of the stations' licenses. CruiseEmail states that in approximately 2004, 6 it moved station KDS from its licensed location in Everett, Washington, to Olympia, Washington after being informed that the station manager had "changed his full time job, and moved to another state." CruiseEmail states that in approximately 2005, it moved station WGM from its licensed location in Lake Placid, Florida, to Fort Lauderdale, Florida after the Lake Placid station was destroyed by three major hurricanes, including hurricanes Donna and Edna.8 CruiseEmail also states that "a few years" after it began operating station WHX, it moved the station from its licensed location in Seabrook, Maryland, to Pocomoke, Maryland "due to the station manager changing full time jobs, and not [being] content as to the noise level in that area [of Seabrook]." CruiseEmail states that at the time of the move, CruiseEmail "did re-file" and that on January 25, 2006, it renewed its license for station WHX but that CruiseEmail "noticed that the address did not change on the new license." CruiseEmail states that since it first built stations KDS and WHX, CruiseEmail has continuously operated these stations. 11 CruiseEmail states further that it took station WGM off-the-air for approximately 27 hours to rebuild the station in Fort Lauderdale, Florida, but has continuously operated the station since the relocation. ¹²

⁵ See Letter from Dr. John Gregory, Chief Executive Officer, CruiseEmail, to Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission (September 20, 2009).

⁶ See Response at 1 (stating that the station "stayed active for about two years" at its licensed location). See also Response to Mobility Division at 1 (stating that the station became operational in January of 2002, and was operated at its licensed location for two and a half years).

⁷ See Response at 1. See also Modification Request for Station KDS, File No. 0003890798 (filed July 2, 2009; granted August 12, 2009). CruiseEmail moved station KDS from its authorized location at 1715 McDougall Avenue, Everett, Washington (47-59-39.3 N, 122-12-2.5 W) to 10216 35th Lane, Olympia, Washington (47-01-48.0 N, 122-59-23.0 W).

⁸ See Response at 1-2 (stating that CruiseEmail operated station WGM at its licensed location until hurricanes Donna, Edna, and Wilma destroyed its facilities three to four years ago). See also Modification Request for Station WGM, File No. 0003889330 (filed July 1, 2009; granted August 25, 2009). CruiseEmail moved station WGM from its authorized location at 21 Silk Oak St., Lake Placid, Florida (27-50-00.0 N, 080-31-00.0 W) to 1069 NW 53 St., Ft. Lauderdale, Florida (26-18-00.0 N, 080-14-00.0 W). We note that there were no hurricanes named Donna and Edna in 2005. The 2005 Hurricane Season in Florida included the following major hurricanes: Dennis, Emily, Katrina, Rita, and Wilma. With storms named Dennis and Emily, there would not, under current naming conventions, also have been storms named Donna and Edna. See Worldwide Tropical Cyclone Names, available at http://www.nhc.noaa.gov/aboutnames.shtml (last accessed, May 26, 2010). Moreover, for the purpose of identifying hurricanes in the Atlantic Ocean, Caribbean Sea, and the Gulf of Mexico, the name Donna was retired in 1960, and the name Edna was retired in 1968. See Retired Hurricane Names since 1954, available at http://www.nhc.noaa.gov/retirednames.shtml (last accessed, May 26, 2010).

⁹ See Response at 1. See also Modification Request for Station WHX, File No. 0003890009 (filed July 2, 2009; granted September 9, 2009). CruiseEmail moved station WHX from its authorized location at 9303 Calnada Street, Seabrook, Maryland (38-57-51.4 N, 076-50-44.9 W) to 2350 Bear Landing, Pocomoke, Maryland (38-06-00.0 N, 075-54-00.0 W).

¹⁰ See Response at 1. See also Renewal Authorization for Station WHX, File No. 0002400766 (filed December 6, 2005; granted January 25, 2006).

¹¹ See Response at 1.

¹² See id. at 2.

4. On July 1, 2009, CruiseEmail requested modification of its license to operate station WGM at its new location, and on August 25, 2009, the Wireless Telecommunications Bureau granted CruiseEmail's request.¹³ On July 2, 2009, CruiseEmail requested modifications of its licenses to operate stations KDS and WHX at their new locations, and those requests were granted by the Wireless Telecommunications Bureau on August 12, 2009, and September 9, 2009 respectively.¹⁴

III. DISCUSSION

Section 301 of the Act¹⁵ and Section 1.903(a) of the Rules¹⁶ prohibit the use or operation 5. of any apparatus for the transmission of energy or communications or signals by a wireless radio station except under, and in accordance with, a Commission granted authorization. Under Section 1.903(a) of the Rules, licensees must request a modification of their license before changing the location where the station is operated. CruiseEmail admits to operating station KDS at an unauthorized location since approximately 2004, ¹⁷ and station WGM at an unauthorized location since approximately 2005. ¹⁸ With respect to station WHX, CruiseEmail admits to operating at an unauthorized location "a few years" before its renewal application was granted on January 25, 2006. 19 Although Cruise Email indicated that it "noticed" that its renewal did not include information regarding the station's relocation to Pocomoke. Maryland, ²⁰ CruiseEmail's application for renewal did not disclose the relocation of the station or the station's new address, ²¹ and no modification request for the station was filed at that time. Indeed, CruiseEmail did not request modification of its license to operate station WGM at its new location until July 1, 2009; and did not request modifications of its licenses to operate stations KDS and WHX at their new locations until July 2, 2009. The Wireless Telecommunications Bureau granted CruiseEmail's modification request for the relocation of station KDS on August 12, 2009, for the relocation of WGM on August 25, 2009, and for the relocation of WHX on September 9, 2009. Based on this information, we find CruiseEmail apparently liable for its willful²² and repeated²³ violations of Section 301 of the Act

¹³ See Modification Request for Station WGM, File No. 0003889330 (filed July 1, 2009; granted August 25, 2009).

¹⁴ See Modification Request for Station KDS, File No. 0003890798 (filed July 2, 2009; granted August 12, 2009) and Modification Request for Station WHX, File No. 0003890009 (filed July 2, 2009; granted September 9, 2009).

¹⁵ 47 U.S.C. § 301.

¹⁶ 47 C.F.R. § 1.903(a).

¹⁷ See Response at 1. See also Response to Mobility Division at 1.

¹⁸ See Response at 2.

¹⁹ See id. at 1.

²⁰ See id.

²¹ See Renewal Application for Station WHX, File No. 0002400766 (filed December 6, 2005; granted January 25, 2006).

²² Section 312(f)(1) of the Act defines "willful" as "the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate" the law. 47 U.S.C. § 312(f)(1). The legislative history of Section 312(f)(1) of the Act clarifies that this definition of willful applies to both Sections 312 and 503(b) of the Act, H.R. Rep. No. 97-765, 97th Cong. 2d Sess. 51 (1982), and the Commission has so interpreted the term in the Section 503(b) context. *See Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 (1991), *recon. denied*, 7 FCC Rcd 3454 (1992) ("*Southern California*"); *see also Telrite Corporation*, Notice of Apparent Liability for Forfeiture, 23 FCC Rcd 7231, 7237 (2008); *Regent USA*, Notice of Apparent Liability for Forfeiture, 22 FCC Rcd 10520, 10523 (2007); *San Jose Navigation, Inc.*, Notice of Apparent Liability for (continued....)

and Section 1.903(a) of the Rules by operating stations KDS, WHX, and WGM at new locations prior to obtaining authorization for such operation.

- 6. Under Section 503(b)(1)(B) of the Act, any person who is determined by the Commission to have willfully or repeatedly failed to comply with any provision of the Act or any Rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.²⁴ To impose such a forfeiture penalty, the Commission must issue a notice of apparent liability and the person against whom such notice has been issued must have an opportunity to show, in writing, why no such forfeiture penalty should be imposed.²⁵ The Commission will then issue a forfeiture if it finds by a preponderance of the evidence that the person has violated the Act or Rule.²⁶ As set forth below, we conclude under this standard that CruiseEmail is apparently liable for a forfeiture in the amount of \$15,000 for its apparent willful and repeated violations of Section 301 of the Act and Section 1.903(a) of the Rules.

²³ Section 312(f)(2) of the Act, which also applies to forfeitures assessed pursuant to Section 503(b) of the Act, provides that "[t]he term 'repeated,' ... means the commission or omission of such act more than once or, if such commission or omission is continuous, for more than one day." 47 U.S.C. § 312(f)(2). *See Callais Cablevision, Inc.*, Notice of Apparent Liability for Forfeiture, 16 FCC Rcd 1359, 1362 (2001), *forfeiture ordered*, 17 FCC Rcd 22626 (2002); *Southern California*, 6 FCC Rcd at 4388.

²⁴ 47 U.S.C. § 503(b).

²⁵ 47 U.S.C. § 503(b); 47 C.F.R. § 1.80(f).

²⁶ See, e.g., SBC Communications, Inc., Forfeiture Order, 17 FCC Rcd 7589, 7591 (2002) (forfeiture paid).

²⁷ See 47 U.S.C. § 503(b)(2)(B) (setting forth the statutory maximum forfeiture for common carriers). The Commission has amended Section 1.80(b)(3) of the Rules, 47 C.F.R. § 1.80(b)(3), three times to increase the maximum forfeiture amounts, in accordance with the inflation adjustment requirements contained in the Debt Collection Improvement Act of 1996, 28 U.S.C. § 2461. See Amendment of Section 1.80 of the Commission's Rules and Adjustment of Forfeiture Maxima to Reflect Inflation, 23 FCC Rcd 9845, 9847 (2008) (adjusting the maximum statutory amounts for common carriers from \$130,000/\$1,300,000 to \$150,000/\$1,500,000); Amendment of Section 1.80 of the Commission's Rules and Adjustment of Forfeiture Maxima to Reflect Inflation, Order, 19 FCC Rcd 10945, 10947 (2004) (adjusting the maximum statutory amounts for common carriers from \$120,000/\$1,200,000 to \$130,000/\$1,300,000); Amendment of Section 1.80 of the Commission's Rules and Adjustment of Forfeiture Maxima to Reflect Inflation, Order, 15 FCC Rcd 18221, 18223 (2000) (adjusting the maximum statutory amounts for common carriers from \$100,000/\$1,000,000 to \$120,000/\$1,200,000). The most recent inflation adjustment took effect September 2, 2008, and applies to violations that occur after that date. See 73 Fed. Reg. 44663-5. CruiseEmail's violations of Section 301 of the Act and Section 1.903(a) of the Rules continued until the Commission approved CruiseEmail's modification requests to relocate stations KDS, WGM and WHX; thus, CruiseEmail is subject to the higher forfeiture amount for these violations.

²⁸ Public coast stations are classified as commercial mobile radio service providers ("CMRS") and thus, are common carriers subject to the higher statutory maximum forfeiture amounts set forth in Section 503(b)(2)(B) of the Act and Section 1.80(b) of the Rules. *See Amendment of the Commission's Rules Concerning Maritime Services*, Second Report and Order and Second Further Notice of Proposed Rule Making, 12 FCC Rcd 16949, 17011 (1997) (citing *Implementation of Sections 3(n) and 332 of the Communications Act – Regulatory Treatment of Mobile Services*, Second Report and Order, 9 FCC Rcd 1411, 1448 (1994)). The Commission has addressed concerns regarding the business size of small CMRS providers by noting that forfeitures are assessed not on the (continued....)

to a total of \$1,500,000 for any single continuing violation. In exercising such authority, we are required to take into account "the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require." Section 503(b)(6) of the Act³⁰ bars the Commission from proposing a forfeiture for violations that occurred more than a year prior to the issuance of an NAL. Section 503(b)(6) does not, however, bar the Commission from assessing whether CruiseEmail's conduct prior to that time period apparently violated the provisions of the Act and Rules and from considering such conduct in determining the appropriate forfeiture amount for violations that occurred within the one-year statutory period. Thus, while we may consider the fact that CruiseEmail's conduct has continued for several years, the forfeiture amount we propose herein relates only to CruiseEmail's apparent violations occurring within the past year.

8. The Commission's Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines ("Forfeiture Policy Statement")³² and Section 1.80 of the Rules,³³ set the base forfeiture amount for operation at an unauthorized location at \$4,000.³⁴ Accordingly, we propose a total base forfeiture of \$12,000 (\$4,000 x 3 stations) against CruiseEmail for its operation of stations KDS, WGM, and WHX at unauthorized locations in apparent willful and repeated violations of Section 301 of the Act and Section 1.903(a) of the Rules. This amount, however, is subject to upward adjustment based on the extended duration of each station's operation at an unauthorized location; specifically, CruiseEmail operated station KDS at an unauthorized location for approximately five years, station WGM at an unauthorized location for approximately four years, and station WHX at an unauthorized location for an estimated "few years." In the absence of any recent precedent relating to extended operations at unauthorized locations, we turn to analogous precedent

²⁹ 47 U.S.C. § 503(b)(2)(E). *See also* 47 C.F.R. § 1.80(b)(4), Note to paragraph (b)(4): Section II. Adjustment Criteria for Section 503 Forfeitures.

³⁰ 47 U.S.C. § 503(b)(6).

³¹ See 47 U.S.C. § 503(b)(2)(D); 47 C.F.R. § 1.80(b)(4); see also Behringer USA, Inc., Notice of Apparent Liability for Forfeiture and Order, 21 FCC Rcd 1820, 1825 (2006), forfeiture ordered, Forfeiture Order, 22 FCC Rcd 10451 (2007); Globcom, Inc. d/b/a Globcom Global Communications, Notice of Apparent Liability for Forfeiture, 18 FCC Rcd 19893, 19903 (2003), forfeiture ordered, Forfeiture Order, 21 FCC Rcd 4710 (2006); Roadrunner Transportation, Inc., Forfeiture Order, 15 FCC Rcd 9669, 9671-72 (2000); Cate Communications Corp., Memorandum Opinion and Order, 60 RR 2d 1386, 1388 (1986); Eastern Broadcasting Corp., Memorandum Opinion and Order, 10 FCC 2d 37 (1967), recon. denied, 11 FCC 2d 193 (1967).

³² 12 FCC Rcd 17087 (1997), recon. denied, 15 FCC Rcd 303 (1999).

³³ 47 C.F.R. § 1.80.

³⁴ See Forfeiture Policy Statement 12 FCC Rcd at 17113-15; 47 C.F.R. § 1.80(b)(4), note to paragraph (b)(4), Section I. See also KM Radio of St. Johns, Memorandum Opinion and Order and Notice of Apparent Liability for Forfeiture, 19 FCC Rcd 5847, 5852 (2004) (proposing a \$4,000 forfeiture for construction of new FM station 900 feet from authorized site); Maria L. Salazar, Memorandum Opinion and Order, 19 FCC Rcd 5050, 5051 (2004) (\$34,000 forfeiture for multiple violations by FM station including \$4,000 for operations outside community of license); Morradio, Forfeiture Order, 14 FCC Rcd 5201 (Consumer Info. Bur. 1999) (imposing a \$4,000 forfeiture for operation at unauthorized site).

relating to unauthorized operations.³⁵ Consistent with this precedent, we upwardly adjust the base forfeiture by \$1000 per violation, *i.e.*, from \$4000 to \$5000. Thus, we propose a total forfeiture of \$15,000 (\$5,000 x 3 stations).

IV. ORDERING CLAUSES

- 9. Accordingly, **IT IS ORDERED** that, pursuant to pursuant to Section 503(b) of the Act³⁶ and Sections 0.111, 0.311, and 1.80 of the Rules,³⁷ CruiseEmail **IS** hereby **NOTIFIED** of its **APPARENT LIABILITY FOR A FORFEITURE** in the amount of fifteen thousand dollars (\$15,000) for willfully and repeatedly violating Section 301 of the Act and Section 1.903(a) of the Rules.
- 10. **IT IS FURTHER ORDERED** that, pursuant to Section 1.80 of the Rules, within thirty days of the release date of this *Notice of Apparent Liability for Forfeiture and Order*, CruiseEmail **SHALL PAY** the full amount of the proposed forfeiture or **SHALL FILE** a written statement seeking reduction or cancellation of the proposed forfeiture.
- Payment of the forfeiture must be made by check or similar instrument, payable to the 11. order of the Federal Communications Commission. The payment must include the NAL/Account Number and FRN Number referenced above. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Requests for full payment under an installment plan should be sent to: Chief Financial Officer - Financial Operations, 445 12th Street, S.W., Room 1-A625, Washington, D.C. 20554. Please contact the Financial Operations Group Help Desk at 1-877-480-3201 or Email: ARINQUIRIES@fcc.gov with any questions regarding payment procedures. CruiseEmail will also send electronic notification to Ricardo Durham at Ricardo.Durham@fcc.gov and Nissa Laughner at Nissa.Laughner@fcc.gov on the date said payment is made.

In several analogous cases involving unauthorized operation, we have upwardly adjusted the base forfeiture by \$1000 per violation. *See, e.g., Mathews Readymix LLC,* Notice of Apparent Liability for Forfeiture, 23 FCC Rcd 12828, 12831 (Enf. Bur., Spectrum Enf. Div. 2007) (forfeiture paid) (upwardly adjusting the proposed base forfeiture from \$5,000 to \$6,000 for the operation of a General Mobile Radio Service ("GMRS") station for approximately six years without Commission authorization); *Mitchell Electric Membership Cooperative,* Notice of Apparent Liability for Forfeiture, 22 FCC Rcd 5538, 5540-41 (Enf. Bur., Spectrum Enf. Div. 2007) (forfeiture paid) (upwardly adjusting the proposed base forfeiture from \$5,000 to \$6,000 for the operation of a Private Land Mobile Radio Service ("PLMRS") station for almost five years without Commission authorization); *National Weather Networks, Inc.*, Notice of Apparent Liability for Forfeiture, 21 FCC Rcd 3922, 3925 (Enf. Bur., Spectrum Enf. Div. 2006) (forfeiture paid) (upwardly adjusting the proposed base forfeiture from \$5,000 to \$6,000 for the operation of a satellite earth station for over four years without Commission authorization); *Shared Data Networks, LLC*, Notice of Apparent Liability for Forfeiture, 20 FCC Rcd 18184, 18187 (Enf. Bur., Spectrum Enf. Div. 2005) (forfeiture paid) (upwardly adjusting the proposed aggregate base forfeiture of \$15,000 (\$5,000 per earth station) to an aggregate forfeiture of \$18,000 (\$6,000 per earth station) for operating three earth stations for almost five years without Commission authorization).

³⁶ 47 U.S.C. § 503(b).

³⁷ 47 C.F.R. §§ 0.111, 0.311, 1.80.

- 12. The written statement seeking reduction or cancellation of the proposed forfeiture, if any, must include a detailed factual statement supported by appropriate documentation and affidavits pursuant to Sections 1.80(f)(3) and 1.16 of the Rules.³⁸ The written statement must be mailed to the Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554, ATTN: Enforcement Bureau Spectrum Enforcement Division, and must include the NAL/Acct. No. referenced in the caption. The statement should also be e-mailed to Ricardo Durham at Ricardo.Durham@fcc.gov and to Nissa Laughner at Nissa.Laughner@fcc.gov.
- 13. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices; or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.
- 14. **IT IS FURTHER ORDERED** that a copy of this Notice of Apparent Liability for Forfeiture shall be sent by first class mail and certified mail return receipt requested to Dr. John Gregory, Chief Executive Officer, CruiseEmail, 1440 Coral Ridge Dr., Suite 160, Coral Springs, Florida 33071.

FEDERAL COMMUNICATIONS COMMISSION

Kathryn S. Berthot Chief, Spectrum Enforcement Division Enforcement Bureau

³⁸ 47 C.F.R. §§ 1.80(f)(3), 1.16.